

ordinary rate less the wholesale discount, SWBT must resell the service at the promotional rate.

The Arbitrator's ruling is also based upon the necessity of promoting competition within the framework of a level playing field. The Arbitrator is concerned about an anti-competitive effect which might arise to AT&T's detriment should they be denied the opportunity to purchase promotional services of less than 90 days at the promotional rate. The Arbitrator foresees that a situation might arise where SWBT's costs for such a service might be lower than AT&T's and that SWBT might be able to undercut AT&T's prices in an anti-competitive manner. Further, there will be no harm to SWBT if AT&T is permitted to purchase services at the promotional rate.

D. AT&T Issue #16: Distance Learning

Facts

AT&T states that distance learning services and should be made available for resale at the wholesale discount rate. AT&T further contends that even telecommunications services provided below cost should be available at a wholesale discount.

SWBT believes that services offered to qualifying educational, medical and government institutions are already sufficiently discounted below retail rates; competitors should be permitted to purchase these services at the existing discounted rates for resale to the same classes of customers.

Law

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Timothy E. McKee, Chair
Susan M. Seltsam
John Wine

In the Matter of the Petition by AT&T)	Docket No.
Communications of the Southwest, Inc. for)	97-AT&T-290-ARB
Compulsory Arbitration of Unresolved Issues)	
with Southwestern Bell Telephone Company)	
Pursuant to Section 252(b) of the)	
Telecommunications Act of 1996.)	

COMMISSION ARBITRATION ORDER

NOW, the above-captioned matter comes for consideration and determination before the State Corporation Commission of the State of Kansas (Commission). This matter arises under section 252 of the Federal Telecommunications Act of 1996 (the Federal Act), pursuant to which the Commission has the power to hear interconnection disputes between a "requesting telecommunications carrier" as defined by 47 U.S.C. section 153(a)(26) and incumbent local exchange companies as defined under section 251(h) of the Act. Having reviewed the files and being fully advised of all matters of record, the Commission finds and concludes as follows:

BACKGROUND

1. On November 14, 1996, AT&T Communications of the Southwest (AT&T) filed the above entitled petition for arbitration pursuant to section 252 of the Federal Telecommunications Act.
2. On December 9, 1996, Southwestern Bell Telephone Company (SWBT) filed its Response to AT&T's Petition for Arbitration.

3. The pre-arbitration hearing took place on December 10, 1996.
4. The arbitration commenced on January 15, 1997 at 9:00 a.m. and continued through January 17, 1997.
5. The record consisted of: (1) AT&T's Petition for Arbitration and its attachments; (2) SWBT's Response and its attachments; (3) the Joint Issues Matrix; (4) AT&T's prefiled direct and rebuttal testimony and all attachments; (5) SWBT's prefiled direct and rebuttal testimony and all attachments; (6) All discovery and responses thereto; (8) AT&T's Arbitration Brief and attachments; (9) SWBT's Arbitration Brief and attachments; and (10) the arbitration transcript and all exhibits.
6. AT&T appeared through its counsel Robert A. Fox, Dana A. Bradbury Green, Kathleen M. LaValle, and Gloria Salinas. SWBT appeared through its counsel William R. Drexel and Michael C. Cavell. The Commission Staff served in an advisory role only and did not appear as a party.
7. The Arbitrator issued the Arbitration Order on February 6, 1997. The Arbitrator's rulings fell into several broad categories within which are numerous more specific decisions. These broad categories are: (1) Resale-Services and Prices; (2) Resale-Operational Issues/Electronic Interfaces; (3) Operator Services and Directory Assistance; (4) Branding; (5) Unbundling; (6) Physical Interconnection/Collocation; (7) Reciprocal Compensation; (8) Number Portability; (9) Dialing Parity and Access to Numbering Resources; (10) Access to Poles, Ducts, Conduits, and Rights-of-Way; (11) General Terms and Conditions; and (12) Carrier Access.

8. The Arbitrator also ruled on four broad issues which were applicable to the order as a whole as well as to specific issues which were discussed therein. These four broad issues are: (1) Whether it is proper for the Arbitrator to set interim rates; (2) whether the Arbitrator is precluded from setting proxy rates when cost studies have been filed; (3) whether the Arbitrator should order a "true up" once permanent rates replace interim ones; and (4) the duty of the Arbitrator to make rules which promote competition in the local exchange market and encourage investment in the building of telecommunications facilities.

9. The parties filed comments concerning many of these rulings on February 21, 1997 and filed reply comments on February 25, 1997. Included in those comments and reply comments were modified final offers which were presented to the Commission for consideration. CURB also filed comments.

LAW GOVERNING COMMISSION ACTION

10. The Commission is required to ensure that the Arbitration Order and any interconnection agreement which is created in compliance with that arbitration order meet the requirements of sections 251 and 252 of the Federal Act and to the extent it applies, the FCC interconnection order. In addition, the Commission must adhere to the State Telecommunications Act K.S.A. 1996 Supp. 66-2001 et. seq. to the extent it does not conflict with the Federal Act. Under both the State and Federal Acts it is the broad purpose of the Commission to promote the public interest.

COMMISSION RULINGS

11. The Commission held an administrative meeting concerning issues raised in the parties' comments and reply comments on February 28, 1997. At that

time the Commission made three rulings: (1) No modified final offers would be considered by the Commission during its review of the Arbitrator's order; (2) Staff's memorandum of issues to be decided by the Commission would be revised to omit references to modified final offers; and (3) the administrative hearing was continued to March 6, 1997.

12. During the March 6, 1997 administrative meeting, having considered Staff's recommendations, the Commission made the following rulings which are divided into two groups: The first group of rulings consists of those which the Commission is clarifying or modifying and the manner in which they are to be clarified or modified; the second group consists of arbitration rulings which are affirmed without clarification or modification.

I. Issues Requiring Commission Clarification or Modification

1. Access Rates

13. The Arbitration Order does not explicitly address this issue. The Commission hereby orders that until the general cost study investigation is completed, access charges shall continue to be assessed even though the interconnecting company is paying an unbundled element charge. This ruling is interim only.

2. Subloop Unbundling

14. The Arbitrator required a loop to be unbundled into network interface device, loop distribution, loop concentration/multiplexer and loop feeder. No prices were set for these subloop components, but SWBT's total loop prices were adopted. SWBT was ordered to provide the Commission prices for the subloop

elements. These elements were to be priced such that the cumulative price of all four elements was equal to 100% of SWBT's total loop price.

15. In comments, SWBT informed the Commission that its loops are not all composed of those four discreet subloop elements. Some are composed solely of two elements, some of three elements, and some of four elements.

16. The Commission hereby affirms the Arbitrator's order and clarifies that order to require SWBT and AT&T to negotiate a resolution of this subloop element pricing issue in compliance with the Arbitrator's order. It is the intent of the Commission that the subelement interim prices be cost based.

17. In the event the parties cannot come to a satisfactory resolution of this issue prior to the drafting of the final interconnection agreement, the parties are ordered to raise this issue with the Commission.

3. Dark Fiber

18. The Arbitrator ordered SWBT to provide AT&T access to SWBT's dark fiber, subject to SWBT's right to reclaim it for its own use, upon reasonable notice.

19. SWBT argues it should not be ordered to provide dark fiber. In compliance with the Arbitrator's order, SWBT proposes the price for dark fiber be set at \$329 per strand route mile or fraction thereof.

20. AT&T contends it should have access to existing dark fiber; just as it may purchase access to copper wire which SWBT is not currently utilizing. In compliance with the Arbitrator's order, AT&T has also proposed prices for dark fiber as set forth below:

Fiber strand, per linear foot	\$0.001042
Pig tails, per fiber	\$2.50
Patch panel, per fiber	\$0.29

21. The Commission affirms the Arbitrator and clarifies that should AT&T wish to purchase dark fiber prior to the Commission adopting a permanent price in the generic cost investigation, the parties shall conduct good faith negotiations to determine an interim price. The parties should conduct their negotiations bearing in mind the Commission is strongly considering the possibility that dark fiber should be priced based on the existing competitive marketplace for similar product.

22. Unlike unbundled elements and resale, there is a market for dark fiber. The Commission is mindful of the possible negative impact which might be caused to the dark fiber marketplace should the Commission order a non-market based price for dark fiber, and will be studying how to avoid that result in the generic cost investigation.

4. Intellectual Property Obligations

23. The Arbitrator has ordered SWBT to provide unbundled network elements unencumbered by additional costs of intellectual property rights, as proposed in AT&T's final offer. The Arbitrator held SWBT must sell unbundled elements free from third party intellectual property rights claims. The order did not relieve AT&T of the responsibility for network designs utilizing individual unbundled elements. SWBT stated that AT&T should be responsible for intellectual property rights liabilities resulting from its own network design.

24. Staff recommended the Commission clarify that, to the extent a party designs a network utilizing unbundled network elements, the designing party is responsible for any intellectual property rights liabilities which arise as a result of that design.

25. The Commission affirms the Arbitrator's ruling, and adds that each party bears responsibility for liability arising from network design utilizing unbundled network elements to the extent they were the designing party.

5. Cross Connections To Collocated/Multiplexing Equipment

26. The Arbitration Order does not address the pricing of the cross connections from the central office main distribution frame to either collocated AT&T equipment or multiplexing equipment obtained by AT&T on an unbundled basis. Neither an interim nor a permanent price was ordered by the Arbitrator.

27. SWBT contends the order should have set prices for collocated/multiplexing equipment. SWBT proposes the Commission adopt its cost methodology which it states is in compliance with FCC rules.

28. AT&T states no price setting on this issue is necessary.

The Commission orders that this matter shall be deferred to the generic cost investigation.

6. Limitations On Resale

A. Distance Learning

29. The Arbitrator ordered that distance learning services and other below cost services shall be made available to AT&T for resale at the wholesale discount rate. Thus, the Arbitration Order requires that, even on below cost services, AT&T should be given the wholesale discount to the extent there are avoided costs.

30. SWBT recently entered into a stipulation in the TeleKansas docket, Docket No. 166-856-U which is in conflict with the Arbitrator's ruling. That

stipulation states that distance learning services will be made available at the discounted retail rate for resale.

31. The Commission orders that the Arbitrator's ruling shall be modified in order to make it consistent with the stipulation in the TeleKansas docket.

B. Resale Restrictions as limited by SWBT's retail tariffs

32. The Arbitrator held that AT&T must abide by the existing use limitations and service parameters in SWBT's retail tariffs filed with the Commission.

33. SWBT contends these use limitations are reasonable as reflected by the fact they were approved by the Commission.

34. AT&T contends that all resale restrictions except for the cross-class reselling of residential services to non-residential end users and the cross-class reselling of means tested services are presumptively unreasonable. This also applies to restriction in the incumbent LEC's underlying tariffs.

35. Staff informed the Commission that the ruling on issue 1(F) of the Arbitration Order, requiring AT&T to abide by existing Commission approved use limitations and service parameters in SWBT's retail tariffs, on its face, appeared to conflict with issue 1(B) of the Arbitration Order which permits AT&T to aggregate end users in a shared tenant services arrangement without restrictions, including those set forth in SWBT's tariffs.

36. Staff also informed the Commission it believed the FCC order contradicts itself concerning this issue.

37. The Commission rules the parties shall negotiate each specific dispute concerning resale limitations, other than those specifically ruled on herein, on a case by case basis, or if impasse is reached, shall submit such dispute to the Commission for resolution.

7. AT&T As An Authorized Contractor

38. The Arbitrator ruled that AT&T is an authorized contractor for purposes of performing make ready work.

39. SWBT's comments seek clarification that the parties should be directed to prepare a list of mutually agreed contractors which may include AT&T personnel.

The Commission affirms the Arbitrator and clarifies that the parties are directed to reach consensus on a list of authorized contractors, including AT&T personnel.

8. Environmental Liability

40. The Arbitrator held that SWBT may not relieve itself of liability for environmental hazards. The Commission clarifies that neither party shall be relieved of environmental responsibilities and liabilities.

9. Non-Recurring Charges

41. The Arbitrator adopted SWBT's final offer and ruled that actual non-recurring costs should be recovered through one-time charges. AT&T had requested that non-recurring costs be TELRIC based and was concerned it would be precluded from arguing that position during the generic cost investigation.

42. The Commission affirms the Arbitrator and clarifies that this is an interim ruling which does not preclude other results or arguments during the generic cost investigation.

II. Arbitration Rulings Which Are Affirmed By The Commission Without Clarification Or Comment

43. The Commission has reviewed and considered the remaining issues raised in the parties' and CURB'S comments and the parties' reply comments and affirms the Arbitrator on each of those rulings without clarification or modification or further comment. This Commission ruling is made on the grounds that the Arbitrator's orders on those remaining issues comply with all applicable laws and are in the public interest.

THE COMMISSION HEREBY ORDERS THAT:

44. Subject to the modifications made herein, the Commission adopts the Arbitrator's decisions as set forth in the arbitration order attached hereto as attachment "A".

45. The Commission hereby rules that the Arbitration Order, as clarified and modified, complies with the mandates of sections 251 and 252 of the Federal Telecommunications Act of 1996, and, where applicable the FCC's Order concerning the same. In addition, the Commission holds that the Arbitration Order promotes competition in the local exchange market in a manner which furthers the public interest.

46. Upon receipt of this order, the parties shall, within one (1) day, inform the Commission of the date on which the interconnection agreement between AT&T and SWBT shall be filed, which date must be no later than 30 days

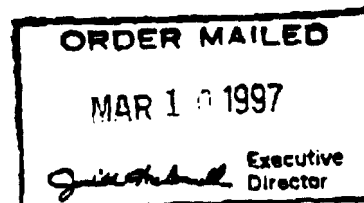
subsequent to the issuance of this order. The parties are further directed to prepare an agreement in compliance with the arbitration order as modified herein. If the parties fail to reach agreement they shall promptly inform the Commission of those issues which remain in dispute and request further arbitration. Upon receipt of the interconnection agreement, the Commission shall have thirty (30) days in which to review both the negotiated and arbitrated portions thereof and issue a decision as to whether the agreement meets the terms of the arbitration order and all applicable laws, including the Federal and State Telecommunications Acts and where applicable, the FCC Interconnection Order.

47. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

THE COMMISSION SO ORDERS.

McKee, Chr.; Seltsam, Com.; Wine, Com.

Dated: MAR 13 1997



Judith McConnell
Executive Director

SHK

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Timothy E. McKee, Chair
Susan M. Seltsam
John Wine

In the Matter of the Petition by AT&T)	Docket No.
Communications of the Southwest, Inc. for)	97-AT&T-290-ARB
Compulsory Arbitration of Unresolved Issues)	
with Southwestern Bell Telephone Company)	
Pursuant to Section 252(b) of the)	
Telecommunications Act of 1996.)	

COMMISSION ORDER ON RECONSIDERATION

NOW, the above-captioned matter comes for consideration and determination before the State Corporation Commission of the State of Kansas (Commission). This matter is based on the parties' Petitions for Reconsideration arising from the Commission's Arbitration Order in this matter. Having reviewed the files and being fully advised of all matters of record, the Commission finds and concludes as follows:

BACKGROUND

1. On November 14, 1996, AT&T Communications of the Southwest (AT&T) filed the above entitled petition for arbitration pursuant to section 252 of the Federal Telecommunications Act.
2. On December 9, 1996, Southwestern Bell Telephone Company (SWBT) filed its Response to AT&T's Petition for Arbitration.
3. The pre-arbitration hearing took place on December 10, 1996.
4. The arbitration commenced on January 15, 1997 at 9:00 a.m. and continued through January 17, 1997.

5. The record consisted of: (1) AT&T's Petition for Arbitration and its attachments; (2) SWBT's Response and its attachments; (3) the Joint Issues Matrix; (4) AT&T's prefiled direct and rebuttal testimony and all attachments; (5) SWBT's prefiled direct and rebuttal testimony and all attachments; (6) All discovery and responses thereto; (8) AT&T's Arbitration Brief and attachments; (9) SWBT's Arbitration Brief and attachments; and (10) the arbitration transcript and all exhibits.

6. AT&T appeared through its counsel Robert A. Fox, Dana A. Bradbury Green, Kathleen M. LaValle, and Gloria Salinas. SWBT appeared through its counsel William R. Drexel and Michael C. Cavell. The Commission Staff served in an advisory role. Commission Staff did not appear as a party.

7. The Arbitrator issued the Arbitration Order on February 6, 1997. The Arbitrator's rulings fell into several broad categories which contain numerous more specific decisions. These broad categories are: (1) Resale-Services and Prices; (2) Resale-Operational Issues/Electronic Interfaces; (3) Operator Services and Directory Assistance; (4) Branding; (5) Unbundling; (6) Physical Interconnection/Collocation; (7) Reciprocal Compensation; (8) Number Portability; (9) Dialing Parity and Access to Numbering Resources; (10) Access to Poles, Ducts, Conduits, and Rights-of-Way; (11) General Terms and Conditions; and (12) Carrier Access.

8. The Arbitrator also ruled on four broad issues which were applicable to the order as a whole as well as to specific issues which were discussed therein. These four broad issues are: (1) Whether it is proper for the Arbitrator to set interim rates; (2) whether the Arbitrator is precluded from setting proxy rates when

cost studies have been filed; (3) whether the Arbitrator should order a "true up" once permanent rates replace interim ones; and (4) the duty of the Arbitrator to make rules which promote competition in the local exchange market and encourage investment in the building of telecommunications facilities.

9. The parties filed comments concerning many of these rulings on February 21, 1997 and filed reply comments on February 25, 1997. Included in those comments and reply comments were modified final offers which were presented to the Commission for consideration. CURB also filed comments.

10. On March 10, 1997, the Commission issued an order affirming in part and clarifying in part the Arbitrator's order. The Commission declined to consider the parties' modified final offers.

11. On March 28, 1997, the parties filed Petitions for Reconsideration. AT&T asks for reconsideration of the following rulings: (1) Reciprocal compensation on extended area service (EAS) calls; (2) access charges; (3) true up; (4) notification of new services; (5) delivery of operator services and directory assistance calls to AT&T; (6) Interim Number Portability; (7) definition of conduit and conduit system; (8) emergency repair work; (9) rates for attachment costs for poles, conduit occupancy and inner ducts; (10) procedures and process issues regarding access to poles; (11) resale restrictions as limited by SWBT's tariffs; and (12) interim pricing.

12. SWBT asks for reconsideration of the following issues: (1) Wholesale discount; (2) dark fiber; (3) customer conversion charge; (4) bill and keep; and (5) subloop unbundling.

13. Staff has reviewed these petitions and recommends that SWBT's Petition for Reconsideration be denied in its entirety and that AT&T's Petition for Reconsideration be denied in part and granted in part. Staff recommends AT&T's petition requesting reconsideration of the EAS issue (issue no. 1) be granted and that a hearing be scheduled to further investigate this matter.

14. Staff is of the opinion that the scope of this issue and the public interest concerns it raises warrant a hearing to determine whether either parties' final offer promotes the public interest.

15. Staff has concerns regarding the competitive impact of adopting either party's final offer. Staff is concerned that adoption of SWBT's final offer violates C.F.R. section 51-305(a)(5) requiring interconnection on terms and conditions which "are no less favorable than the terms and conditions the incumbent LEC provides. . . to itself." Staff is concerned that AT&T's final offer fails to address the entire scope of the mandatory and optional EAS issue. In addition, Staff believes it is in the public interest that consumers have the opportunity to receive the benefits of unimpeded competition, including benefits derived from innovative uses of extended area services by telecommunications competitors.

16. The Commission notes that it is bound by the Federal Act and the State Act to protect the public interest which is an obligation inextricably intertwined with making rules promoting competition in the local telephone market. Given the concerns expressed by Staff, the Commission believes it is appropriate to reopen an investigation to further study the mandatory and optional EAS issue.

17. The Commissioners will preside over a hearing on May 14, 1997 at 9:30 a.m. in the Commission's first floor hearing room. This hearing will determine whether either of the party's final arbitration offers is in the public interest. The parties shall be permitted to file briefs no longer than 15 pages. These briefs may cite to any evidence admitted at arbitration. The briefs shall be filed with the Commission no later than seven (7) days prior to the hearing. At the hearing the parties may present opening arguments, direct testimony of expert witnesses and may conduct cross examination of said witnesses. Staff shall also be permitted to conduct cross examination. The parties shall file and serve their list of experts who will be testifying concurrently with their briefs.

18. Should SWBT's final offer be deemed in the public interest and in compliance with all applicable laws, the Commission shall abide by its stated intent to give deference to the Arbitrator's ruling. Should only AT&T's final offer be deemed in the public interest and in compliance with all applicable laws, it will be adopted. Should neither final offer be deemed in the public interest and in compliance with all applicable laws, the Commission shall consider any feasible solutions to this issue which are in the public interest and in compliance with all applicable laws.

18. All other issues raised in the parties' Petitions for Reconsideration are denied on the grounds that the rulings of the Commission are in compliance with the Federal and State Acts, the applicable FCC orders and are in the public interest.

THE COMMISSION HEREBY ORDERS THAT:

Subject to granting a hearing on the EAS issue, the Commission affirms its Arbitration Order and denies the parties Petitions for Reconsideration.

The Commission hereby rules that the Commission's Arbitration Order, as clarified and modified, complies with the mandates of sections 251 and 252 of the Federal Telecommunications Act of 1996, and, where applicable the FCC's Order concerning the same.

Upon receipt of this order, the parties shall, within one (1) day, inform the Commission of dates on which they are available to proceed with a hearing on mandatory and optional EAS issues. These dates shall not be later than thirty (30) days from the date this order is filed.

Nothing in this order extends the date on which the parties shall file their interconnection agreement. To the extent this order delays the resolution of issues to be addressed in the interconnection agreement, the agreement may be supplemented after the issues are resolved.

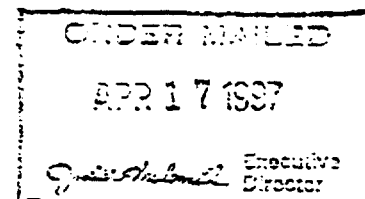
The Commission retains jurisdiction of the subject matter and the parties hereto for the purpose of entering such further order or orders as it may deem necessary and proper.

THE COMMISSION SO ORDERS.

McKee, Chr.; Seltsam, Com.; Wine, Com.

Dated: APR 17 1997

shk



Judith McConnell
Executive Director

ATTACHMENT 5

Attachment 5

RESIDENCE SERVICE

		Monthly Rate		Service Charge
		First	Additional	(1)(2)(3)(4)
A. Monthly Subscription, Per Line				
Discounts may apply with multiple services ordered.		<u>USOC</u>		
Caller ID - Calling Number Delivery (5)(6).....	NSD	\$6.50	\$6.50	\$11.00
Caller ID - Calling Name Delivery (5)(6).....	NMP	6.50	6.50	11.00
Call Return	NSS	3.00	3.00	11.00
Call Waiting	ESX	3.00	3.00	11.00
Call Blocker	NSY	3.00	2.00	11.00
Call Forwarding	ESM	3.00	2.00	11.00
Remote Access Call Forwarding	RC3	1.00	1.00	11.00
Three Way Calling	ESC	3.00	2.00	11.00
Auto Redial	NSQ	3.00	2.00	11.00
Speed Calling 8	ESL	3.00	2.00	11.00
Priority Call	NSK	3.00	2.00	11.00
Selective Call Forwarding	NCE	3.00	2.00	11.00
B. Monthly Subscription, Per Line				
No discounts for purchasing multiple services.		<u>USOC</u>	<u>Monthly Rate</u>	<u>Service Charge</u>
				<u>(1)(2)(3)(4)</u>
Speed Calling 30	ESF	\$4.80		\$11.00
Call Forwarding-Busy Line (18).....	EVB	.75		11.00
Call Forwarding-Don't Answer (18)	EVD	.75		11.00
Call Forwarding-Busy Line/Don't Answer (18)	E5E	1.00		11.00
ComCall	E1N	2.00		11.00
Personalized Ring				
One Dependent DN	DRS	4.00		11.00
Two Dependent DN.....		6.00		11.00
1st Dependent DN	DRS1X			
2nd Dependent DN	DRS2X			
Simultaneous Call Forwarding	ESD	4.80		11.00
Preferred Number Service				
With Unique Ring	PWN	4.95		11.00(7)(8)(9)
Without Unique Ring	P6N	3.95		11.00(7)(8)(9)
C. Monthly Subscription, Per Line Package Discounts				
		<u>USOC</u>	<u>Monthly Rate</u>	
Caller ID Credit (5)	NNK	(\$5.75)		
Caller ID Value Package (10)(11)	RCRPD	(2.55)		
Caller ID Value Package Plus (10)(12)	RCRCS	(8.55)		
THE WORKS (10)	NLUXG	(19.00)		
THE WORKS (without Caller ID)(10)(13)	NLUXH	(6.00)		
THE WORKS PLUS (20% Discount) (14)	OS3	5.00		
THE WORKS PLUS (Block of Time) (14).....	OC2	5.00		

(MT)

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Schedule N6-21

Page 1 of 12

CENTRAL OFFICE INCREMENTAL UNIT COST SUMMARY

SERVICE: CENTREX OPTIONAL FEATURES

RATE ELEMENT: CALL FORWARDING VARIABLE-PER LINE

USOC: EAT

STATE: TEXAS

CENTRAL OFFICE INVESTMENT

1. SWITCHING EQUIPMENT (ENGINEERED, FURNISHED, INSTALLED)	2.55
2. POWER EQUIPMENT FF&I (L1*0.03643)	0.09
3. TOTAL FF&I WITH FILL ADJUST. ((L1+L2)/0.76000)	3.47
4. TAX DEFERRAL (L3*0.00000)	0.00
5. TELCO ENGINEERING (L3*0.01923)	2.37
6. TELCO PLANT LABOR (L3*0.06791)	0.24
7. SUPPLY AND MISC. (L3*0.01461)	0.05
8. SALES TAX (L3*0.76649*0.05170)	0.14
9. TOTAL EQUIPMENT INVESTMENT (L3 THRU L8)	3.97
10. BUILDING INVESTMENT (L9*0.09642)	0.39
11. LAND INVESTMENT (L9*0.00704)	0.23
12. TOTAL INVESTMENT (L9+L10+L11)	4.38

ANNUAL CAPITAL COSTS

13. DEPRECIATION (L9*0.09020+L10*0.03653)	0.37
14. COST OF MONEY (L9*0.06982+L10*0.09374+L11*0.15000)	0.32
15. INCOME TAX (L9*0.02994+L10*0.04914+L11*0.5344*0.150)	0.14

ANNUAL OPERATING EXPENSES

16. CENTRAL OFFICE MAINTENANCE W/INFL (L9*0.06590*1.08710)	0.28
17. BUILDING & GROUNDS MAINTENANCE W/ INF (L10*0.01670*1.10250)	0.01
18. ADMINISTRATION WITH INFLATION (L12*0.02050*1.10250)	0.10
19. AD VALOREM TAXES (L12*0.01000)	0.04
20. OTHER	0.00
21. GROSS RECEIPTS TAX ((L13 THRU L20)*0.02430)	0.03
22. TOTAL ANNUAL COST (L13 THRU L21)	1.29
23. TOTAL MONTHLY COST (L22/12.0)	0.11

NON-RECURRING EXPENSES

24. NETWORK ADMINISTRATION MGMT. (0.00 HRS * 36.15)	0.00
25. NETWORK ADMINISTRATION NMGMT. (0.00 HRS * 23.30)	0.00
26. NETWORK MAINTENANCE MGMT. (0.00 HRS * 36.15)	0.00
27. NETWORK MAINTENANCE NMGMT. (0.00 HRS * 42.19)	0.00
28. TOTAL (L24 THRU L28)	0.00
29. RIGHT-TO-USE	0.00

DATE PROCESSED: 04/15/84

USOC DATA FILE NAME: TTEAT

STATE FACTOR FILE NAME: TTF2477C



**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the matter of)	
)	
Application by SBC Communications, Inc.)	
For Authorization Under Section 271 of the)	CC Docket
Communications Act To Provide In-Region)	No. 97-121
InterLATA Service in the State of Oklahoma)	

**AFFIDAVIT
OF
R. GLENN HUBBARD
AND
WILLIAM H. LEHR
ON BEHALF OF
AT&T CORP.
AT&T EXHIBIT G**

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